UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/1993/24
7 April 1993

ORIGINAL: ENGLISH

Fortieth session
1-22 June 1993, New York
Item 4 (e) of the provisional agenda

PROGRAMME PLANNING AND IMPLEMENTATION

Programme management issues, including decentralization and the programme approach

Report of the Administrator

SUMMARY

Programme management is reviewed: first, at the macro level of the country programmes - more accurately described as country strategies for the use of UNDP resources - which constitute a major step in the process of applying UNDP support to national development efforts; next, at the level of monitoring and evaluation, with particular emphasis on the mid-term review; and then in terms of progress made towards facilitating the programme approach, including the testing of a new mechanism - the programme support document (PSD) - for the purpose.

In response to calls to strengthen management at the country level and to the Governing Council's request contained in its decision 92/42 of 26 May 1992 to continue to review the senior management structure of UNDP, the steps taken so far are presented. These include enhanced delegation of approval authority to Resident Representatives as well as the strengthening of appraisal and review processes at the country level. In introducing these measures, emphasis has been placed on ensuring programme accountability.

Parallel to the introduction of new management procedures and tools for UNDP, the organization has actively participated in inter-agency groups working to coordinate and harmonize more effectively on these and related issues, as required by the General Assembly.

I. INTRODUCTION

1. In paragraph 3 (c) of its decision 92/2 of 14 February 1992, the Governing Council decided to consider annually, inter alia, programme management issues, including decentralization and the programme approach. Also, in its decision 92/42 of 26 May 1992, the Council requested the Administrator to continue to review the senior management structure of the United Nations Development Programme (UNDP) with the aim of increasing efficiency and effectiveness and report thereon to the Governing Council at its fortieth session. To facilitate the Council in its consideration of these issues, the Administrator is submitting the present report. It responds to paragraphs 3, 4, 6 and 7 of decision 92/42.

II. COUNTRY PROGRAMMES

2. The Governing Council has so far approved 97 country programmes for the fifth programming cycle and will consider a further 28 at its current session. In the case of nine countries, special circumstances have led the Council to authorize approvals by the Administrator on a project-by-project basis. In addition, the Council has approved the global and interregional programmes and four regional programmes. In all remaining instances, extensions of previously approved country or regional programmes have been taken note of or approved by the Council, according to the duration of the extension.

3. The fifth cycle country programmes are significantly different in substance and format from those of earlier programming cycles. The emphasis is on supporting major national priorities in ways that exploit the proven comparative advantages of UNDP, coincide with its mandate of capacity-building for human development, and, as far as possible, with the areas of focus for UNDP specified by the Governing Council in its decision 90/34 of 23 June 1990. The aim is to demonstrate identifiable results from UNDP support and to ensure that those results are sustainable, both in institutional and ecological terms. At a time when resources for external cooperation are under pressure, including those of UNDP, another important concern for UNDP is to help governments to mobilize resources, in particular through cost-sharing.

4. Country programmes also emphasize UNDP support to national programmes rather than to self-standing projects. They focus more on outputs and results and less on inputs. In fact, the term "country programme" as a description of UNDP support at the country level is a misnomer. The term "country strategy" would better describe the use of UNDP resources.

5. While the new country programmes provide a clearer sense of strategy - how to apply limited resources in the most effective way in a given situation to achieve maximum impact - they contain less detail on specific support (i.e., projects) and related allocations. They are much more part of a process. For this reason, among others, the monitoring and review of country programmes, especially the mid-term review, take on added importance. These mechanisms provide the occasion to track the progress of implementation, to make adjustments in the light of the evolving situation, and to take corrective actions when called for.

III. MONITORING AND EVALUATION

6. Monitoring and evaluation procedures are under revision to make them more reflective of the new fifth cycle emphasis on capacity-building, particularly in the six areas of focus. The emphasis on adopting country programme strategies and promoting the programme approach and national execution will require the development of improved techniques in monitoring and evaluation.

7. Monitoring activities will focus on the establishment of baseline data and the formulation of indicators of progress together with practical benchmarks to measure such progress in projects and programmes, as appropriate. They will also function as early-warning systems on issues requiring corrective action. Improved management information systems are expected to play a crucial role in ensuring the success of programmes. In addition, these improved monitoring systems will help in strengthening the capacity of in-country monitoring and evaluation systems to keep track of the implementation of programmes.

8. As regards evaluation, the experience of the past 20 years in UNDP has demonstrated that while evaluation of the stand-alone project is valuable in recording impact at the micro-level, this experience cannot be readily transmuted into generic lessons that can be applied in different contexts. While evaluation of a cluster of similar projects can yield such generic lessons, the optimal point to undertake full-fledged evaluation is considered to be at the programme or sub-programme level since at this juncture it is possible to generate transferable lessons of experience and to open policy dialogue with recipient countries. It should be stressed that evaluation at this macro-level will not be successful or of relevance to operational staff unless it is based on solid inputs derived from monitoring activities. This point also brings into sharp relief the crucial role and relevance of feedback from evaluation findings. The new guidelines will emphasize that careful review of the lessons of the past is vitally important for planning activities being contemplated by UNDP and national authorities. (See document DP/1993/26 for further information on the UNDP strategy with respect to monitoring and evaluation.)

IV. MID-TERM REVIEWS

9. In similar fashion to the guidelines for monitoring and evaluation, those for mid-term reviews have been extensively revised to address the issues of particular concern to the Governing Council. These issues are essentially those already referred to in the outline of the new country programmes. The focus is on identifiable impact and results, on reinforcing national ownership and capacity-building and on sustainability. Other significant considerations are the coverage of the UNDP areas of focus, the cost-effectiveness of UNDP support, the extent of national execution and the coordination or complementarity of UNDP support with that of other donors.

10. Eight mid-term reviews are currently scheduled for 1993. The guidelines will be reviewed in the light of experience towards the end of the year and revised, if necessary, for application in the bulk of mid-term reviews, which will be held during 1994 and 1995. The first report on mid-term review exercises will be submitted to the Governing Council at its special session in February 1994.

V. THE PROGRAMME APPROACH

11. In paragraph 17 (d) of its resolution 44/211 of 22 December 1989, the General Assembly decided that the need for a shift from a project approach to a programme approach implies that all relevant governing bodies, in particular the Governing Council of the United Nations Development Programme, should develop more programme-oriented mechanisms for the provision of technical cooperation, with a view to allowing more flexible and effective support of national programmes.

12. Following considerable conceptual work on the definition and characteristics of the programme approach, the Governing Council, in its decision 92/23, encouraged UNDP, in consultation with government and United Nations specialized agencies, to continue its work on the formulation of guiding principles. Consultations were held with governments and specialized agencies during the latter half of 1992 and the UNDP Guiding Principles for the Programme Approach were issued in April 1993.

13. The application of the programme approach in the implementation of country programmes has not waited upon the issuance of the Guiding Principles. Taking the mandate of the General Assembly, subsequent related decisions of the Governing Council, and earlier drafts of the Guiding Principles, UNDP has already started to support the programme approach.

14. In all countries, Resident Representatives have been urged to ensure that UNDP technical cooperation, whether funded from indicative planning figures (IPFs), the United Nations Capital Development Fund (UNCDF) or other sources, looks beyond the immediate project being supported towards the national development goal and other related, contributory activities.

15. In several countries where the national authorities are convinced of the utility of the programme approach, Resident Representatives have been encouraged to help governments to develop national programme frameworks, where these do not exist, and to formulate UNDP support within these frameworks. The technical and advisory services of the United Nations system have been associated with these exercises whenever available and appropriate. Examples of the attempt to follow the programme approach in this way are found in Bolivia, Colombia, Côte d'Ivoire, Egypt, Gambia, Malawi, Nepal, Pakistan, Thailand and Tunisia. The fields covered include poverty alleviation, water and sanitation, forestry, economic reform and education reforms. Neither list is exhaustive. In each case, the format for the formulation of UNDP support has been left largely to the initiative of the members of the local team, both national and from the United Nations. In all cases, however, proposals have been appraised centrally with particular concern for policy and both substantive and financial accountability.

16. Based on the principal concerns of the Governing Council, on earlier broad outlines developed centrally, and drawing on the experience with programme support formulation so far, the outline of a programme support document has been elaborated. This is now being used on a trial basis and, after review and revision as necessary, will be introduced as the standard format for UNDP support to national programmes. It is designed to be flexible, allowing responsiveness to different country situations and substantive requirements. It

is also designed to provide information to programme managers, UNDP administration and the Governing Council on progress in capacity-building, on other outputs, as well as to ensure financial accountability.

VI. DECENTRALIZATION

17. The interpretation of new legislation, i.e., the clarification of concepts and terms, and the preparation of guidelines and formats to reflect new concerns and changed directions, have inevitably been headquarters-driven. However, it is clear in the legislation that a greater degree of decentralization is required to permit prompt and appropriate collaboration at country level. In addition, the experience of the new Division Chief concept has illustrated the advantages provided by increased consultation and teamwork between headquarters and field units, providing the appropriate environment for increasing decentralization of authority on the one hand while increasing opportunities for ensuring accountability on the other.

18. The Administration has made increased decentralization of authority to the field a primary focus of change over the past year. Emphasis has been placed on providing Resident Representatives with expanded scope for managing UNDP country programmes and their own administrative affairs. As a strategy, decentralization is being promoted to enable UNDP better to fulfil its role as a development resource to developing countries and to improve the efficiency and effectiveness of its operations in the context of increased budgetary constraints.

19. Accordingly, financial approval authority for project approvals has been increased to $1 million for Resident Representatives and $3 million for the Directors of the Regional Bureaux. In addition, where large-scale support to a national thematic or sectoral programme has been cleared by the Action Committee, authority is delegated to the Resident Representative to formulate and approve the individual components (i.e., projects) of such programme support within the financial parameter cleared by the Action Committee.

20. To balance this increased financial authority, the following procedures are also being enacted:

(a) Delegation to Resident Representatives is at the discretion of the Directors of the Regional Bureaux;

(b) Authority still rests with the Action Committee to endorse at least one project a year from each field office, for larger-scale programme-support proposals and for any proposals with policy implications, regardless of size;

(c) Field-level project appraisal processes are being strengthened and review mechanisms introduced to ensure that all projects are assessed by qualified specialists - including local representatives of specialized agencies - from both technical and thematic perspectives.

21. Along with the increased decentralization of programme authority, emphasis has been placed on ensuring programme accountability. As noted above, the Administration's approach has been to shift accountability in two ways:

(a) To the impact of UNDP efforts, as well as to the delivery of UNDP-financed inputs; and

(b) From one-time, a priori control mechanisms (the project and programme approval process) to continual, post-facto control mechanisms (the project and programme review process, with financial control mechanisms in place).

22. Accordingly, emphasis is being placed on the continual review of programme progress through the field office work-planning process. Work plans prepared by the Resident Representative will encompass both country programme and office management aspects, and will be used for consultations with the Division Chief to review past progress, plan future goals and activities, describe the programmes and projects in the coming year, and spell out the mutual responsibilities of the field office and headquarters. Work plan extracts will form the basis for periodic programme reviews with the Government, headquarters units, the Action Committee, and the mid-term reviews presented to the Governing Council. The role and responsibilities of the Division Chief will be significantly enhanced by the introduction of these new arrangements.

23. To focus programme accountability on impact, work plans will contain verifiable performance criteria. These criteria will focus, inter alia, on areas of Governing Council concerns noted in paragraph 7 above (such as the Programme's adherence to the Council-approved country programme document, the extent of national capacity-building and the coordination of United Nations specialized agency activities, the degree to which the Programme is addressing sustainable human development and the organization's priority areas of thematic focus).

24. The measures described above are being instituted over the course of 1993. Benefits expected from these actions include:

(a) Increased empowerment of field staff to exercise their professional judgement and managerial skills;

(b) Sharpening the focus of the functional responsibilities of headquarters towards policy and programme support and setting directions in which the Division Chief will play a pivotal role, and of field offices towards programme and project operations;

(c) Thorough field-level substantive and thematic examinations of all projects, involving, among others, specialized agency representatives; and

(d) Improved attention in country programmes to the impact of UNDP resources on national development objectives and to adherence to Governing Council concerns.

25. While UNDP has taken the steps outlined above in response to directives from the General Assembly and the Governing Council, it has also participated actively in inter-agency groups, notably the Consultative Committee on Substantive Questions (Operational Activities) and the Joint Consultative Group on Policy, which are working to coordinate and harmonize programme management issues more effectively within the United Nations system, as required by the General Assembly, most recently in its resolution 47/199 of 22 December 1992.